

**NOMINATION OF LORETTA L. DUNN TO BE AS-
SISTANT SECRETARY OF COMMERCE FOR LEG-
ISLATIVE AND INTERGOVERNMENTAL AFFAIRS**

Y 4. C 73/7: S. HRG. 103-255

Nomination of Loretta L. Dunn to be... **ARING**

BEFORE THE

**COMMITTEE ON COMMERCE,
SCIENCE, AND TRANSPORTATION
UNITED STATES SENATE**

ONE HUNDRED THIRD CONGRESS

FIRST SESSION

JULY 15, 1993

Printed for the use of the Committee on Commerce, Science, and Transportation



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NOMINATION OF LORETTA L. DUNN TO BE ASSISTANT SECRETARY OF COMMERCE FOR LEGISLATIVE AND INTERGOVERNMENTAL AFFAIRS

THURSDAY, JULY 15, 1993

U.S. SENATE,
COMMITTEE ON COMMERCE, SCIENCE, AND TRANSPORTATION,
Washington, DC.

The committee met, pursuant to notice, at 9:32 a.m. in Room SR-253, Russell Senate Office Building, Hon. Ernest F. Hollings (chairman of the committee) presiding.

Staff members assigned to this hearing: Rebecca A. Kojm, professional staff member; and Emily J. Gallop and Susan E. Adams, minority professional staff members.

OPENING STATEMENT OF SENATOR HOLLINGS

The CHAIRMAN. The committee will come to order.

We have the pleasure of confirmation hearings this morning on one of the senior counsels of this committee for some 14 years.

Obviously, we have got mixed feelings, but there is not any question that when we had the confirmation hearings of Secretary Brown he had not been attuned to the Department of Commerce. He wanted a review. Ms. Loretta Dunn conducted that review, and when he got through, he told me, I want that lady, and I think he was very wise in selecting her.

[The prepared statement of Senator Hollings follows:]

PREPARED STATEMENT OF SENATOR HOLLINGS

Given her distinguished service on the staff of this committee for the last decade and a half, Loretta Dunn needs no introduction to the Senators present this morning. However, for the benefit of the audience, let me point out that Loretta served as staff counsel to the Commerce Committee for 14 years, from 1979 through early 1993. From 1987, she distinguished herself as senior counsel to the Subcommittee on Foreign Commerce and Tourism.

Loretta is a skilled attorney and a genuine expert in the field of trade policy. Over the years, she has served me and other members of the committee with tremendous dedication, talent, and hard work. Loretta is a daughter of the State of Kentucky, where she earned a B.A. and law degree at the University of Kentucky before moving on to Georgetown Law School to earn her LL.M. degree. Loretta is indeed a thoroughbred, who has earned the great respect of all those with whom she has worked.

Loretta is an inspired choice to serve the administration as Assistant Secretary of Commerce for Legislative and Intergovernmental Affairs. She has a thorough grasp of the Commerce Department and its complex jurisdiction. She knows the Senate, and we know her. I have no doubt that Loretta will serve with enormous ability and dedication, and I know I speak for all the committee members in saying that we will truly miss her.

The CHAIRMAN. Senator Ford, the best favor you ever did this committee was to give us this Kentucky wonder.

Senator FORD. Thank you for the compliment. I have been waiting 18 years to get something like that, Mr. Chairman. [Laughter.]

The CHAIRMAN. A workhorse and a showhorse. [Laughter.]

Certainly one of the most competent, hardest working, and dedicated staffers this committee has ever had, and it is with mixed feelings that we recognize our senior Senator, Senator Ford.

OPENING STATEMENT OF SENATOR FORD

Senator FORD. Thank you, Mr. Chairman. It is a pleasure to be here today.

As an employer, a friend, a fellow Kentuckian, it is a great honor to have the opportunity to introduce the nominee for Assistant Secretary of Commerce for Legislative and Intergovernmental Affairs, Ms. Loretta Dunn.

As you have stated, you know this young lady from her work on the committee. All of the Senators have been associated with her. They have had an opportunity in the staff to work with her. You have her résumé, her financial statement, and all of that.

So, I come this morning, Mr. Chairman, before this committee filled with a sense of pride and kinship as a father would when introducing one of his own children. Loretta took her first job out of law school with the Commerce Committee after, as you said, I recommended her for this position. In fact, Mr. Chairman, after helping her find this first job, I had an argument with her father over who should take credit for her success.

I know that after hearing more about her knowledge and experience as senior trade counsel for the Commerce Committee, her own testimony will be more than convincing to you and other members of the committee of her qualifications.

I am a bit old fashioned, Mr. Chairman, and I believe there are some qualities a person brings to a position that cannot be summed up in a résumé, qualities that prepare a person to face adversity and confront difficult decisions unselfishly. Loretta's roots are from the same small, western Kentucky community where I grew up, where the ethic of public service and hard work runs deep.

Her mother and father were fellow members of the Yellow Creek Baptist Church, and if any of you are from a small town like Yellow Creek, you know the bonds neighbors and friends form are strong and lifelong, that each individual's success becomes the community's success, and in Loretta's case, she certainly has been a source of pride to our community. Her deep commitment to community and to country, combined with keen intellect, have served anyone who had the pleasure to work with her or call upon her for assistance.

So, today, Mr. Chairman, when you are impressed with her expertise, as I am sure all of the committee will be, know that you are also hearing from a candidate who will act with courage, integrity, and above all, good common sense.

So, it is with great pride and respect that I introduce Loretta Dunn, nominee for Assistant Secretary of Commerce for Legislative and Intergovernmental Affairs.

The CHAIRMAN. Very good. Thank you. Senator McConnell.

STATEMENT OF HON. MITCH McCONNELL, JR., U.S. SENATOR FROM KENTUCKY

Senator McCONNELL. Thank you, Mr. Chairman. I would say, Ms. Dunn, you have already done something that no one has done in the 8 years I have been in here. Senator Hollings is in a good mood this morning. [Laughter.]

This is a woman of remarkable ability. [Laughter.]

I am pleased to join my colleague, Wendell Ford, to be here on your behalf. Obviously, everyone here already knows your background and ability, but you really do come to the position with impeccable credentials and a wealth of relevant experience.

As a native of Owensboro, a graduate of the University of Kentucky College of Law, from which I graduated a little bit ahead of you—you also have a master's in legal studies from Georgetown University—your educational background combined with 14 years of hands-on experience with this committee certainly would make Ms. Dunn perfect for this position.

It seems to me that she will need all of those skills and more. President Clinton's commitment to speedy completion of NAFTA and GATT is certainly commendable. However, getting the agreements through Congress will be a real challenge. In my view, NAFTA and GATT are winners for Kentucky, and I stand ready to assist Ms. Dunn in any way I can.

Let me also say the Department is of particular importance to Kentucky. Areas of both eastern and western Kentucky are prone to flooding, and the weather services provided by NOAA are watched closely by millions in my State.

Also important to Kentucky are the small business export promotion services provided by the Department—93 percent of Kentucky's companies employ fewer than 500 workers. These firms are interested in exporting, but lack the resources and know how to do so. They depend there on Commerce programs like Matchmaker trade delegations and exhibitions, so Loretta, I hope you and Secretary Brown are committed to providing the resources necessary to keep these valuable export promotion services available.

Again, I am happy to be here, along with my senior colleague, to congratulate you on this outstanding accomplishment, and I am confident that you will be speedily confirmed.

The CHAIRMAN. Thank you. Senator Rockefeller.

OPENING STATEMENT OF SENATOR ROCKEFELLER

Senator ROCKEFELLER. Thank you, Mr. Chairman. I am incredibly proud that Loretta Dunn asked me to do this. It is therefore sort of a very moving thing for me. It will not be backed up by what I say, but what is in my heart.

I also want to note that she has not only a husband and a son here, but a mother—and we will leave that to her to introduce, I think, two brothers, a sister, a mother and a father, and I cannot imagine how proud they must be.

Loretta Dunn has helped me so much just on a personal basis from the time I came here as a greenhorn on this committee, and I will never forget the first day. I was sitting right down there, Senator Ford and Senator McConnell, and the chairman was trying to make me feel comfortable, and I was this greenhorn.

I actually was not born in Yellow Creek. I was born in Red Jacket, in a little log cabin just 3 or 4 miles down the road. [Laughter.]

The CHAIRMAN. You do have a sense of humor.

Senator FORD. The log cabin was in the house. [Laughter.]

Senator ROCKEFELLER. Can I start all over again? [Laughter.]

But I was right there, and the chairman asked me if I had anything to say, and the Commerce Committee, unlike other committees there is a little toggle that turns on the microphone, and of course I did not know that, so I started talking and nobody could hear a thing I was saying, and the chairman said, "the Senator might want to turn his microphone on," and I turned bright red. Loretta came up, and sort of patted me on the back and said, "that's OK, kid, you'll do all right." [Laughter.]

She has helped me in so many ways.

I remember wood products. That is not something that gets a lot of space in the Washington Post or the Charleston Gazette, but it sure means people who work or do not work in Kentucky as well as West Virginia, and I can just remember the whole question of trying to get the people who might be able to export wood to do so, and the way Loretta pitched into that as though these were her own people, which in fact they were.

What she did to help me on tourism, and on steel is—I mentioned, Mr. Chairman, we had a meeting of the Senate steel caucus, and hundreds of CEO's of steel companies from all over the country were here, and I mentioned I was going to be introducing Loretta Dunn, and they expressed their appreciation because she has been an enormous friend of steel. She has been a tremendous friend of the chairman's in terms of textiles.

Loretta pointed out to me once that when she was working on the problems Weirton Steel was having, they were making a profit. When she stopped working on those problems, they began to lose money, and I think that is true. She is that good.

Ultimately, what it comes down to is what Wendell Ford talked about—just old fashioned values, hard work. Loretta Dunn gets it done. She just has the capacity for work. She is a bear. She is a lady, she is indomitable, she is relentless, she has all the talents and the brains and the wiles to make people do things which they did not think they were going to do. She is absolutely an extraordinary person.

I am going to miss her enormously, but in this wonderful way, when you move on from one position to another in this city, the network just grows, so she will always be one of us, but I count her as one of the true friends of my life.

The CHAIRMAN. Thank you very much. You gentlemen have graced the committee, and we would be honored if you could continue to sit with the nominee, or as I know many of you have other commitments, you may be excused at this time, but we hope our committee members will join us.

Senator FORD. Mr. Chairman, I have another hearing to conduct of the Joint Committee on Printing with the Defense Department.

Thank you, Mr. Chairman.

The CHAIRMAN. We thank you very, very much, Senator Ford, Senator Rockefeller, and Senator McConnell.

Well, Ms. Dunn, the first thing, that sounds funny, but let us please introduce your wonderful family. I have had an opportunity to just meet them, and I am proud to have them here.

STATEMENT OF LORETTA DUNN, NOMINEE TO BE ASSISTANT SECRETARY OF COMMERCE FOR LEGISLATIVE AND INTER-GOVERNMENTAL AFFAIRS

Ms. DUNN. My husband, Herbert Lunenfeld is here, my son Jack, my mother Arnetta Dunn, my father, John Dunn, my sister Suzanne Murdock, and my two brothers, Kevin and Jason Dunn, and my stepson Douglas Lunenfeld is here.

The CHAIRMAN. And that fellow at the table, he is not related to you.

Ms. DUNN. No.

The CHAIRMAN. We would be delighted to hear from you now.

Ms. DUNN. I want to thank you, Mr. Chairman, for scheduling this hearing so quickly to give my family an opportunity to be here, and I would also like to thank Senator Ford and Senator McConnell and Senator Rockefeller for their kind remarks and their wonderful introduction.

Mr. Chairman, as we both know, I would not be here today if it were not for you. The experience I gained during the last 10 years I spent working for you will be invaluable to prepare me for the job that lies ahead. You are a dedicated public servant, and the people of South Carolina are very lucky to have you in the Senate.

I am truly honored that President Clinton has nominated me to be Assistant Secretary of Commerce for Legislative and Intergovernmental Affairs. I truly appreciate Secretary Brown's support as well. If I am confirmed, I will do my very best to serve them well.

I am very enthusiastic about the role the Department can play in this new administration. President Clinton campaigned on the need for a growing economy and a growing workforce. President Clinton and Secretary Brown have a vision of the Department which links its disparate missions to the objective of promoting economic growth.

The Department of Commerce, working with Congress and this committee and the private sector, is ideally suited to help achieve that vision. The Department can do so in many ways, using the International Trade Administration to assist businesses, building on your efforts with the Technology Administration and NIST, promoting stewardship of the environment through NOAA, and using the resources of MBDA and EDA to assist distressed communities.

We are poised to lead in this time of challenge. We are trying to rekindle a spirit of hope and optimism in this country, and I look forward to playing a role in that effort.

If confirmed, my task will be to assist the Secretary and the administration in sharing their views and objectives with this committee and other Members of the House and Senate, as well as taking your concerns and views back to the Department and the administration. If I am confirmed, I want to work to enhance the partnership you have worked on over the years with the Department.

I came to work with this committee in 1979, and I left 5 months ago to work with Secretary Brown in the transition, so I have spent



13 years on the committee, and I cannot imagine a better training ground for the job on which I hope to embark. I look forward to working with every member of this committee in the coming years if I am confirmed.

Thank you very much, and I am happy to answer your questions. [The biographical data and prehearing questions and answers of Ms. Dunn follows:]

BIOGRAPHICAL DATA

Name: Dunn, Loretta Lynn; address: 19657 Club Lake Rd., Gaithersburg, MD 20879; business address: Department of Commerce, 14th and Constitution Ave., N.W., Washington, DC 20230.

Position to which nominated: Assistant Secretary of Commerce for Legislative and Intergovernmental Affairs; date of nomination: June 29, 1993.

Date of birth: December 3, 1955; Owensboro, KY.

Marital status: Married; full name of spouse: Herbert Steven Lunenfeld; names and ages of children: Jack Wyatt Lunenfeld, 6.

Education: Georgetown National Law Center, 1980-83, LL.M.; University of Kentucky Law School, 1976-79, J.D.; and University of Kentucky, 1973-76, B.A.

Employment record: 8/79-2/93, Senate Commerce Committee, Staff Counsel.

Government experience: From August 1979 to February 1983, I was employed by the Senate Commerce Committee; and since February 1993, I have been employed as a Special Assistant to the Secretary at the Department of Commerce.

Political affiliations and activities: \$500, Daviess County Democratic Committee, 1992; \$500, Kentucky Democratic Party, 1992; \$100 DNC Victory Fund, 1992; and \$100, Democratic Senate Campaign Committee Womens' Fund.

Memberships: District of Columbia Bar; Kentucky Bar Association; American Bar Association; Women in International Trade (chair of Nominations Committee), resigned in 1993; Washington International Trade Association (Board of Director), resigned in 1993; and Trade Policy Forum.

Honors and awards: None since law school.

Published writings: "A Look at Judicial Review of the Department of Transportation's Rescission of the Passive Restraint Standard," Chase Law Review, volume 2, 1984.

Speeches: I have given numerous talks over the last 14 years to trade associations, businesses, universities, and others on the status of legislation on the Hill. I have never used a prepared text.

Qualifications: The Department of Commerce's primary mission is to promote economic growth. The Department's statutory responsibilities are large and diverse—the include trade, technology, telecommunications, economic development, and environmental management. In my career on the Hill, I closely followed the activities of the Department, particularly in the trade, investment, and tourism areas. I understand the importance of the Department's relationship with the Hill and I developed a great deal of respect for the work of this committee to the many challenges and demands that face legislators. That understanding, respect, and expertise is what I believe qualifies me to be Assistant Secretary of Commerce for Legislative and Intergovernmental Affairs.

QUESTIONS ASKED BY THE COMMITTEE AND ANSWERS THERETO BY MS. DUNN

Question 1. What do you believe are your qualifications to be Assistant Secretary?

Answer. I believe my 13 years on the Hill working with the Department have prepared me to assume this position. In my work for the committee, I became familiar with many of the Department's programs including trade, tourism, investment, and data collection. I am very respectful, in particular, of the work this committee has done with the Department and I hope to build on my relationships on the Hill and within the Department and the administration to forge a close working partnership. On the Hill, I learned the importance of being accessible and responsive to Members and staff and if confirmed, I will continue to make that a top priority.

Question 2. What will be your specific duties if confirmed as Assistant Secretary?

Answer. The duties of the Assistant Secretary for Legislative and intergovernmental Affairs include:

- communicate to the House and Senate the administration's and the Department's goals and objectives;
- convey the views and concerns of the Hill to the Secretary and the Department;

- assist in the development of legislative priorities and strategy for the Department;
- assist Department nominees in the confirmation process;
- manage the Department's relationship with State and local governments; and,
- serve as the Secretary's principal advisor on legislative matters.

Question 3. How would you assess the state of relations between the Department of Commerce and Congress? Do you have any suggestions for improving DOC's relations with Congress?

Answer. I think relations between DOC and the Congress are good. Secretary Brown, as a former Hill staffer and chair of the Democratic National Committee, has established working relationships with many Members and we need to continue and build on those relationships. The Department must work harder to ensure that the Hill is kept fully apprised of the Secretary's initiatives and in turn, the Office of Legislative and Intergovernmental Affairs must ensure the Hill's concerns, ideas, and objectives are fully communicated to the Secretary.

Question 4. If confirmed, what would be your first actions in your new position? What would be your priorities? Would you change anything in the existing congressional office?

Answer. My years on the Hill have made me sensitive to the importance of maintaining open lines of communications between the Congress and the executive branch. If confirmed, I would make establishing those lines of communication my highest priority. In addition, if I am confirmed, I think we need to upgrade our efforts to work with State and local officials to acquaint them with Commerce's programs.

Question 5. If confirmed, you will be responsible for answering congressional requests for information from DOC. What is your position on disclosure of agency information to Congress?

Answer. It is my intention to promptly respond to any congressional requests for information.

The CHAIRMAN. Thank you very much.

I think the way you can best help us and best help Secretary Brown and the administration and the Department is to continually bring home the fact that we do not have the wherewithal. Senator McConnell just mentioned export promotion—85 percent of our international trade is in manufactured products but we only have about \$130 million to promote it, whereas agriculture has almost \$1 billion in export promotion.

Similarly, with respect to the technology we constantly are getting position papers out of the administration, which I just do not want to casually characterize as rhetoric, but it is going to continue to amount to that. If they do not put, as old Walter Mondale said, "where's the beef," the money?

Money talks, and yes, we get the rhetoric that we are the lead agency—the Department of Commerce that you represent is the lead agency, and the domestic technological thrust now for this administration. We are always the lead, but we do not have the wherewithal. The money, the resources are in the Department of Defense and the Department of Energy and these other Departments.

Preferably I would rather them give us the money and let them have the lead. I can get it done if I can get some more money in these things, and a very minimal request and very minimal transfers and very hazy delineation of fiscal resources by the Office of Management and Budget. I hope that you will bring that home to the Secretary and the Department, that they have got you around, and you are the liaison to lead, but you do not have the clout if you do not have the money.

I mean, we can give it a lot of hearings and a lot of PR and headlines, but we are not going to make headway until we finally, with

the fall of the Wall, really move to the economic wall from the cold war to the trade war that we have been constantly in and have a realistic approach that the Department of Commerce is not a money raiser operation for the next election, but rather a job development Department for the entire country.

We have no real questions that you have not framed for us. You would ordinarily would have them all up here, and I cannot find them. [Laughter.]

And if they were, I know they would all be nasty and I would not in front of your family ask you those kind of questions. [Laughter.]

So, we will just leave the record open and congratulate you. Thank you very much.

Ms. DUNN. Thank you.

The CHAIRMAN. The committee will be in recess subject to the call of the Chair.

[Whereupon, at 9:50 a.m., the committee adjourned.]

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